

A-Engrossed
House Bill 2397

Ordered by the House March 17
Including House Amendments dated March 17

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Health Care for Oregon Academy of Family Physicians)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Creates loan forgiveness program for primary care practitioners in Office of Rural Health. Appropriates money to *[office]* **Oregon Department of Administrative Services** for purposes of program.

Creates Primary Health Care Loan Forgiveness Program Fund. Continuously appropriates moneys in fund to *[office]* **department**.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to a loan forgiveness program for primary care health practitioners; appropriating money;
3 and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. (1) As used in this section:**

6 (a) **"Participant" means a person who has been selected by the Office of Rural Health to**
7 **receive a loan under subsection (4) of this section.**

8 (b) **"Primary care practitioner" means a:**

9 (A) **Physician licensed under ORS chapter 677;**

10 (B) **Physician assistant licensed under ORS 677.505 to 677.525; or**

11 (C) **Nurse practitioner licensed under ORS 678.375.**

12 (c) **"Prospective primary care practitioner" means a person who is enrolled in a medical**
13 **education program that meets the educational requirements for licensure as a physician,**
14 **physician assistant or nurse practitioner.**

15 (d) **"Service agreement" means the agreement executed by a prospective primary care**
16 **practitioner under subsection (3) of this section.**

17 (2) **There is created the Primary Health Care Loan Forgiveness Program, to be adminis-**
18 **tered by the office pursuant to rules adopted by the office.**

19 (3) **A prospective primary care practitioner who wishes to participate in the program**
20 **shall submit an application to the office in accordance with rules adopted by the office. To**
21 **be eligible to be a participant in the program, a prospective primary care practitioner must:**

22 (a) **Have completed the first year of the prospective primary care practitioner's medical**
23 **education;**

24 (b) **Be enrolled in a medical education program in Oregon that emphasizes training rural**
25 **health care practitioners and is approved by the office;**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (c) Execute a service agreement stating that, immediately upon the prospective primary
2 care practitioner's completion of residency or training as established by the office by rule,
3 the prospective primary care practitioner will practice as a primary care practitioner in a
4 rural setting in this state approved by the office for at least as many years as the number
5 of years for which the practitioner received loans from the Primary Health Care Loan
6 Forgiveness Program; and

7 (d) Meet other requirements established by the office by rule.

8 (4) The office may select participants from among the prospective primary care practi-
9 tioners who submit applications as provided in subsection (3) of this section. The office shall
10 give preference to a prospective primary care practitioner who agrees to practice in a com-
11 munity that agrees to contribute funds to the Primary Health Care Loan Forgiveness Pro-
12 gram Fund established in section 2 of this 2011 Act.

13 (5) The office shall provide an annual loan of up to \$35,000 to each participant to cover
14 expenses related to the participant's medical education, on terms established by the office
15 by rule. The loan must be evidenced by a written obligation but no additional security may
16 be required.

17 (6) Repayment of loans provided under subsection (5) of this section is deferred while a
18 participant is in compliance with the service agreement.

19 (7) At the end of each full year that a participant complies with the service agreement,
20 the office shall forgive one annual loan provided to the participant under subsection (5) of
21 this section.

22 (8)(a) A person receiving a loan under subsection (5) of this section who fails to complete
23 the residency or training as required by the office by rule shall repay the amount received
24 to the Primary Health Care Loan Forgiveness Program plus 10 percent interest on the unpaid
25 balance, accrued from the date the loan was granted.

26 (b) A person receiving a loan under subsection (5) of this section who completes the
27 residency or training required by the office by rule but fails to fulfill the obligations required
28 by the service agreement shall repay the amount received to the Primary Health Care Loan
29 Forgiveness Program plus 10 percent interest on the unpaid balance, accrued from the date
30 the loan was granted. Additionally, a penalty fee equal to 25 percent of the amount received
31 shall be assessed against the person. No interest accrues on the penalty. The office shall
32 establish rules to allow waiver of all or part of the penalty owed to the program due to cir-
33 cumstances that prevent the participant from fulfilling the service obligation.

34 (9) Payments on loans provided under subsection (5) of this section shall be deposited in
35 the Primary Health Care Loan Forgiveness Program Fund established in section 2 of this
36 2011 Act.

37 (10) If a participant defaults on a loan provided under section (5) of this section:

38 (a) Any amounts due may be collected by the Collections Unit in the Department of Re-
39 venue under ORS 293.250; or

40 (b) The Oregon Health and Science University may contract with a collections agency to
41 collect any amounts due.

42 (11) Any amounts collected under subsection (10) of this section shall be deposited in the
43 Primary Health Care Loan Forgiveness Program Fund established in section 2 of this 2011
44 Act.

45 (12) The office may accept funds from any public or private source for the purposes of

1 carrying out the provisions of this section.

2 **SECTION 2.** The Primary Health Care Loan Forgiveness Program Fund is established in
3 the State Treasury, separate and distinct from the General Fund. Interest earned by the
4 Primary Health Care Loan Forgiveness Program Fund shall be credited to the fund. Moneys
5 in the fund are continuously appropriated to the Oregon Department of Administrative Ser-
6 vices for distribution to the Office of Rural Health for the purposes of carrying out the pro-
7 visions of section 1 of this 2011 Act.

8 **SECTION 3.** In addition to and not in lieu of any other appropriation, there is appropri-
9 ated to the Oregon Department of Administrative Services, for the biennium beginning July
10 1, 2011, out of the General Fund, the amount of \$525,000, for distribution to the Office of
11 Rural Health for purposes of the Primary Health Care Loan Forgiveness Program created in
12 section 1 of this 2011 Act.

13 **SECTION 4.** (1) Section 1 of this 2011 Act becomes operative on January 1, 2012.

14 (2) The Office of Rural Health may take any action before the operative date specified in
15 subsection (1) of this section that is necessary to enable the office to exercise, on and after
16 the operative date specified in subsection (1) of this section, all the duties, functions and
17 powers conferred on the office by section 1 of this 2011 Act.

18 **SECTION 5.** This 2011 Act being necessary for the immediate preservation of the public
19 peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect
20 on its passage.

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